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Major News Releases and Speeches

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U.S. DEPARTMENT OF AGRICULTURE
OFFICE OF GOVERNMENTAL AND PUBLIC AFFAIRS
WASHINGTON, D.C. 20250

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News Releases

U.S. Department of Agriculture • Office of Governmental and Public Affairs

USSR RESUMES GRAIN PURCHASES IN THE UNITED STATES

WASHINGTON, July 24—Secretary of Agriculture John R. Block said today he is "extremely pleased that the Soviet Union has returned to the U.S. market for corn—the first Soviet purchase of U.S. grain since President Reagan lifted the embargo April 24."

Private exporters today reported sales of 450,000 tons of U.S. corn for delivery after Sept. 30.

"These purchases are consistent with the U.S.-USSR consultation held in London June 8-9, when it was agreed that the Soviets could make additional purchases under the existing long-term agreement both before and after the agreement expires Sept. 30.

"The United States has worked hard to develop the Soviet market, as well as to expand farm product sales in other parts of the world," Block said. "American farmers have invested their own labor and capital in producing for export. It is right and fair that they have the opportunity to compete for those markets, including the Soviet Union, and to benefit in terms of income. The resumption of grain sales to the USSR is most gratifying. This gives me reason to be very optimistic that the door has been opened on additional grain sales."

The present five-year agreement, which became effective Oct. 1, 1976, provided for purchases by the USSR of a minimum of 6 million tons of U.S. corn and wheat each year, with purchases above 8 million tons requiring prior consultation between the two governments. The Soviets bought 6.1 million tons the first year of the agreement, 14.6 million tons in the second year, and 15.5 million tons in the third year.

In October 1979, after a short crop in the USSR, the Soviets were told they could import 25 million tons of U.S. grain the subsequent 12 months. However, on Jan. 4, 1980, President Jimmy Carter announced an embargo on the export of agricultural products and certain other items to the USSR, except that the United States promised to honor the existing 6-8 million tons commitment on corn and wheat. As a result, shipments in the fourth year of the agreement amounted to only 7.9 million tons.

By April of this year, the Soviets had completed purchases and shipments of the 8 million tons permitted in the fifth and final year of the agreement. Without further consultations between the governments, no additional purchases would have been permitted under the agreement.

However, at the June 8-9 consultation in London this year, the United States agreed the Soviets could purchase without further consultation up to 3 million tons of U.S. corn and 3 million tons of U.S. wheat for delivery before Oct. 1. It was also agreed that the USSR could proceed to purchase "reasonable quantities" for delivery on or after Oct. 1. The understanding is that if these purchases approach 3 million tons of wheat and/or 3 million tons of corn, the United States will communicate further with Soviet authorities.

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NOBEL LAUREATE NAMED FIRST HENDRICKS MEMORIAL LECTURER

WASHINGTON, July 24—Norman E. Borlaug, 1970 Nobel Laureate in Peace and father of the "green revolution," will present the first Sterling B. Hendricks memorial lecture next month.

The U.S. Department of Agriculture's Agricultural Research Service will sponsor the lecture at the 182nd national meeting of the American Chemical Society at the Sheraton Hotel in New York Aug. 24.

Borlaug will discuss "increasing the efficiency of genetic yield potential in third world countries using agronomic practices."

Terry B. Kinney, Jr., administrator of USDA's Agricultural Research Service, said the new lecture series commemorates the life and work of Sterling B. Hendricks (1902-1981), a research scientist with USDA's Agricultural Research Service for 40 years.

"Hendricks added significantly to the world's knowledge of soils and plant behavior and chemistry," Kinney said. "He established scientific principles essential for developing improved soil and water conservation practices, controlling weeds more effectively, and adapting crops to specific soil and climatic conditions," Kinney said.

A scientist recognized for his multidisciplinary studies, Hendricks discovered how plants synthesize waxes and rubber, how light and other aspects of plant chemistry control plant growth, and how solids are structured physiochemically and chemically.

"Borlaug was selected as the first Hendricks lecturer because of his outstanding genetic research in breeding wheats to feed the hungry in underdeveloped countries," Kinney said. Borlaug now is director of the International Maize and Wheat Improvement Center, Mexico City, one of a network of 13 agricultural research institutions worldwide. It is funded by the Republic of Mexico, the Ford and Rockefeller Foundations, and several international agencies.

As director of the center's international wheat program, Borlaug led the scientific team that developed high-yielding, semi-dwarf wheats.

The team identified varieties suitable for both subtropical and temperate zones. By 1967, these new varieties had tripled Mexican wheat yields and had surpassed yields of varieties around the world. Their widespread adaption became known as a "green revolution."

Before joining the Rockefeller Foundation in 1944, Borlaug worked for E. I. Dupont de Nemours & Co., the University of Minnesota, and USDA's Forest Service.

Borlaug has received honors and awards from universities and governments around the world. In 1977, he received the Presidential Medal of Freedom.

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24 INDIANA COUNTIES ELIGIBLE FOR EMERGENCY FARM AID

WASHINGTON, July 24—Secretary of Agriculture John R. Block today designated 24 counties in Indiana as eligible for disaster emergency farm aid because of excessive spring and early summer rains and flooding that delayed crop planting.

This was the third designation under a new disaster emergency program put into effect by the U.S. Department of Agriculture's Farmers Home Administration on May 26. It means that farmers in the

24 counties may apply for emergency loans to cover part of their losses from adverse weather April 1 through June 30, 1981.

The 24 counties designated at this time, Block said, clearly show damage that is not recoverable during this crop year. Another 24 counties indicate significant damage, but final determination will not be made for another week, pending receipt of additional information required from county emergency boards and FmHA offices.

Other counties for which disaster designation was requested also are being watched and evaluations updated as the year progresses.

On some farms the extent of loss may not be fully determined until after harvest. In some cases, farmers may offset, either wholly or in part, the effects of an early season disaster by replanting or by switching the cropland to another use.

For those farmers who sustained qualifying losses, Block said, an actual loss loan can cover up to 90 percent of the dollar value of the loss of crops at an annual interest rate of 5 percent. Other emergency-related loans are available at higher interest rates.

A substantial loss, as determined by the secretary of agriculture, in the normal yield per acre must be caused by a natural disaster before an area can be designated as eligible for emergency loans. The losses must be surveyed and certified by USDA employees in the community affected.

Persons seeking assistance under this program should contact the Farmers Home Administration county supervisor serving their county. The office is listed under U.S. Department of Agriculture in the telephone directory.

The counties designated are:

Bartholomew	Brown	Crawford	Dearborn	Decatur
DeKalb	Elkhart	Fulton	Hancock	Jasper
Jennings	Knox	LaPorte	Monroe	Morgan
Noble	Ohio	Orange	Owen	Perry
Pike	Porter	Pulaski	Steuben	

The counties with significant damage but which have not been designated:

Adams	Blackford	Delaware	Floyd	Fountain
Grant	Huntington	Jay	Jefferson	Kosciusko
Lake	Madison	Marshall	Martin	Miami
Randolph	Ripley	St. Joseph	Starke	Sullivan
Switzerland	Vanderburgh	Wabash	Wells	

Proposed Changes in Marking of Meat Products

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USDA ORDERS MANDATORY FUMIGATION OF CERTAIN COMMODITIES

WASHINGTON, July 27—U.S. Department of Agriculture officials today ordered the mandatory fumigation of certain imported commodities which can harbor khapra beetle—the world's most destructive pest of stored grains and cereal products.

Fumigation is now required as a condition of entry into the United States for:

- brassware and wooden screens from Bombay, India;
- whole chilis and whole red peppers in jute or burlap bags from Pakistan;
- goatskins, lambskins or sheepskins, excluding those which have been tanned, blue-chromed, pickled in mineral acid or salted, from the Sudan or India; and
- used burlap and jute bagging not containing cargo from Afghanistan, Algeria, Bangladesh, Burma, Cyprus, Egypt, India, Iraq, Iran, Israel, Mali, Mauritania, Morocco, Niger, Nigeria, Pakistan, Senegal, Sri Lanka, the Sudan, Tunisia, Turkey and Upper Volta.

"This emergency measure is necessary to prevent the further introduction of khapra beetles into the United States," said H. L. Ford, deputy administrator of USDA's Animal and Plant Health Inspection Service. "It appears that recent khapra beetle infestations resulted from

the importation of certain articles from countries where the pest occurs."

A total of 19 khapra beetle infestations nationwide have been treated or are scheduled for treatment at non-agricultural businesses where they were detected by USDA inspectors. The latest infestation, which has been fumigated, was discovered at two U.S. Army warehouses in Bayonne, N.J. where the military formerly processed furniture shipped from the Far East.

"This rule will not cause major increases in costs or prices to consumers or industry or to federal, state or local governments," Ford said. "All arrangements for khapra beetle treatments must be made by the importer, and all costs related to treatments are the responsibility of the importer."

A public hearing on the regulations will be held Wednesday, Sept. 2 at 10 a.m., in Room 643-A (APHIS Conference Room), Federal Building, 6505 Belcrest Road, Hyattsville, Md.

Written comments may be sent, until Sept. 25, to: Regulatory Support Staff, USDA-APHIS-PPQ, Room 635, Federal Building, 6505 Belcrest Rd., Hyattsville, Md. 20782. Comments received will be available for public examination in Hyattsville, Md., during regular business hours.

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USDA RELEASES IMPORTED FIRE ANT ENVIRONMENTAL IMPACT STATEMENT

WASHINGTON, July 27—A programmatic environmental impact statement on cooperative state-U.S. Department of Agriculture efforts to control outbreaks of the imported fire ant in nine Southern states and Puerto Rico is now available to the public.

"The report discusses the purpose of the program and the need for action against the pest, costs and benefits of alternative control techniques, and potential economic and environmental consequences of the program," said Harvey L. Ford, deputy administrator of USDA's Animal and Plant Health Inspection Service.

The imported fire ant is an aggressive pest that can deliver multiple stings to humans, pets or livestock. Its large mounds also pose a hazard and nuisance to farm equipment. This insect currently infests about 230 million acres in the United States, Ford said.

Copies of the statement are available from: USDA, APHIS, PPQ, room 630, Federal Building, 6505 Belcrest Rd., Hyattsville, Md. 20782.

The statement is also available for public inspection in room 302-E of USDA's Administration Building, Washington, D.C.; and at regional offices of USDA's Animal and Plant Health Inspection Service at 3505-25th Avenue, Gulfport, Miss., and at 2100 Boca Chica Blvd., Suite 400, Brownsville, Texas.

Notice of the statement's availability will be published in the July 27 Federal Register.

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USDA REVISES POLICY FOR IDENTIFYING PROBLEM MEAT PLANTS

WASHINGTON, July 28—The U.S. Department of Agriculture will no longer designate federally-inspected meat and poultry plants as "problem" or "chronic problem," according to Donald L. Houston, administrator of USDA's Food Safety and Inspection Service.

Houston said USDA is taking this action because there are other enforcement actions available that are sufficient to enforce inspection regulations. The other actions include regular reviews by federal meat and poultry inspectors and withdrawing inspection service.

"USDA will continue to undertake legal proceedings in those few instances where normal controls cannot achieve compliance with inspection regulations," Houston said.

Primary responsibility for in-plant enforcement lies with the inspector regularly assigned to each of the 7,000 meat and poultry plants.

"In addition, USDA compliance officers conduct nationwide reviews which will continue under the policy change," Houston said. "They are designed to measure the likelihood of individual plants distributing

adulterated or misbranded products and assess the overall effectiveness and uniformity of inspection programs nationwide."

A notice concerning the revised procedures is scheduled to be published in the July 28 Federal Register, available in many public libraries.

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USDA TO CONDUCT FOOD BANK DEMONSTRATION PROJECT

WASHINGTON, July 28—The U.S. Department of Agriculture is seeking applicants for a project to test the feasibility of providing USDA-donated foods to food banks for emergency distribution to eligible families.

Assistant Secretary for Food and Consumer Services Mary C. Jarratt said USDA is currently soliciting applications from food banks that have been providing emergency food distribution since March 1980, and that the project should begin by Oct. 1.

USDA-donated foods will be made available to a small number of participating food banks under USDA's food distribution program. The food items to be provided include instantized non-fat dry milk, butter and process American cheese. These items will be used to supplement food stuffs obtained by the food banks from other sources.

The food bank demonstration project is authorized by the Walnut Marketing Act of 1980. It will be conducted in three of the seven regions of the Food and Nutrition Service. Operations will not exceed one year.

The department is conducting the project to analyze and evaluate federal participation in food bank emergency food programs; assess the effectiveness of such participation; and make recommendations on the feasibility of continuing such participation.

The department also will review participation data, food donation and inventory data, and transportation and delivery costs, in order to evaluate the project. The results of the evaluation will be reported to Congress by Oct. 1, 1982.

All food banks applying for participation in the project will be reviewed by a panel consisting of Food and Nutrition Service and Community Services Administration representatives. USDA will notify all applicants of those sites selected for demonstration project operations.

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P.L. 480 CREDITS APPROVED FOR POLAND

WASHINGTON, July 28--The United States will make \$55 million available to Poland in response to that country's urgent need for corn, Secretary of Agriculture John R. Block said today.

Funds will be provided through an allocation under Title I of Public Law 480 (Food for Peace), and will supplement previous short-term financing made available under the Commodity Credit Corporation's GSM-102 export payment guarantee program. Commodities to be financed under the P.L. 480 allocation will be purchased for August and September delivery, Block said.

CCC last September allocated \$670 million in credit guarantees to Poland to enable it to obtain commercial financing to buy American agricultural commodities in fiscal 1981. Poland has now used about \$652 million of that allocation, which guarantees private financing of U.S. agricultural exports sold on credit terms of three years or less.

Title I of Public Law 480 allows receiving nations to buy U.S. agricultural products for dollars, but on credit terms more favorable than normal commercial transactions. The total P.L. 480 financing period for Poland will be 10 years.

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USDA CLARIFIES GRAIN REGULATIONS

WASHINGTON, July 29—The U.S. Department of Agriculture has clarified its regulations dealing with the designation of official agencies to inspect and weigh grain.

Kenneth A. Gilles, administrator of USDA's Federal Grain Inspection Service, said the action spells out procedures to be followed when the designation of an official agency ends and the agency asks to be redesignated.

Under the U.S. Grain Standards Act, the grain inspection agency may designate official agencies to perform inspection and weighing services where needed. These designations are made for no longer than three years, after which anyone may apply for the next designation, including the present agency.

Written comments, in two copies, should be submitted no later than Sept. 25 to Lewis Lebakken, Jr., Director, Issuance and Coordination Staff, Room 1127, Auditors Building, 1400 Independence Ave., S.W., Federal Grain Inspection Service, U.S. Department of Agriculture, Wash., D.C. 20250.

For more information, contact Lewis Lebakken, Jr., at (202) 447-3910. The action was published in the July 27 Federal Register as an interim final rule and took effect on the same date.

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USDA PROPOSES CHANGES IN MARKING OF CERTAIN MEAT PRODUCTS

WASHINGTON, July 29—Requirements for the sale, transportation and marking of certain meat products would be simplified under a rule proposed by the U.S. Department of Agriculture.

Donald L. Houston, administrator of USDA's Food Safety and Inspection Service, said the proposal is intended to reduce the paperwork requirements imposed on the meat industry in the transportation of edible and inedible meat food products.

Under the proposal, the food safety and inspection agency plans to delete two shippers' certificates currently required for the transportation of U.S. inspected and passed meat and meat food products.

The proposal also would expedite the return of alleged adulterated or misbranded meat products by retail stores to slaughter or processing plants by revoking a special permit now needed to accompany the products. In its place, the proposal would require that oral permission

be obtained from the federal supervisor of the area in which the plant is located.

Houston also said that the present meat inspection regulation requiring certification of inedible meat or meat food products is unnecessary since required denaturing or labeling properly identifies the product as inedible. This certification would be eliminated under the proposal.

Written comments should be sent by Sept. 29 to Regulations Coordination Division, Food Safety and Inspection Service, U.S. Department of Agriculture, Attention: Annie Johnson, Food Safety and Inspection Service, Room 2637, South Agriculture Building, Wash., D.C. 20250.

The proposed rule will be published in the July 31 Federal Register, available at many local libraries.

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USDA ESTABLISHES POLICY AND COORDINATION COUNCIL

WASHINGTON, July 29—The U.S. Department of Agriculture soon will set up "working groups" to seek grass-root inputs before making agricultural policy decisions, Secretary of Agriculture John R. Block said today.

Block said the working groups form the basic unit of a new policy and coordination council—crossing USDA agency lines—which will meet on an "as needed" basis to review policies and resolve issues.

"An important key to the success of the council rests with state and local groups," Block said. "Effective and timely input from the local level on up is needed if we in Washington are to implement policies and programs that meet the needs of America's farmers, ranchers and other rural residents."

Block will chair the council. Council members will include Deputy Secretary Richard E. Lyng; USDA's two under secretaries, Seeley Lodwick and Frank Naylor; five assistant secretaries, John Crowell, Mary Jarratt, William Leshner, William McMillan and John Schrote (acting); general counsel James Barnes; inspector general designee John

Graziano; and director of science and education Anson Bertrand.

Block said each under and assistant secretary, the director of science and education and the general counsel will lead a committee that will deal with issues falling primarily in his or her own area but which need interagency coordination. The working groups will be formed as necessary for dealing with specific issues, he said.

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USDA PROPOSES CHANGING REQUIREMENTS FOR MECHANICALLY PROCESSED MEAT PRODUCT

WASHINGTON, July 30—The U.S. Department of Agriculture has proposed changing composition, labeling and use requirements for mechanically processed meat product to expand market acceptance, according to C.W. McMillan, assistant secretary for marketing and transportation services.

"Mechanically processed meat product is apparently not now being used in meat products sold at retail," McMillan said. "This means that a source of wholesome food, made possible by expanding technology, is untapped. Furthermore, productivity is being lost because specialized machinery is not being used.

"We hope requirements can be changed to make it easier for processors to market the product, while continuing to assure that finished items containing it as an ingredient are safe, wholesome and accurately labeled," McMillan said.

Mechanically processed meat product is produced from red meat animals such as cattle and hogs. Beef or pork carcasses or parts are hand-trimmed of meat before being broken up and pushed under high pressure through specialized equipment with pinpoint openings. The openings allow meat, along with a small amount of finely powdered bone, to pass through. The product, which has a spread-like consistency, can be used in many finished meat food products, such as cooked sausages.

The proposal includes these provisions:

—Current limits on bone particle size, bone content and protein quality would be retained, as would requirements for handling controls

and USDA-approved quality control systems. The proposal would clarify that calcium is a measure of bone content.

—The name of the product, currently "Mechanically Processed (Species) Product," would be changed. Example: "Mechanically Processed Beef Product." Names under consideration include "Mechanically Processed (Species)," "Mechanically Separated (Species)," "Mechanically Deboned (Species)" and "Mechanically Recovered (Species)." Example: "Mechanically Recovered Beef."

—The new product name would be listed in the statement of ingredients for products in which it is an ingredient, but not next to the product name on all finished products, as now required.

—The labels of certain finished products containing the mechanically processed product as an ingredient would be required to declare their calcium content. This provision would replace the current requirement that the names of all finished products be qualified with a statement of their powdered bone content.

—The first category would have to satisfy current limits on fat and protein (minimum of 14 per cent protein and maximum of 30 per cent fat). However, it could be used in greater amounts than now permitted provided calcium was significantly reduced. Thus, finished products would contain no more bone than they do now.

—The second category of product would not have to meet any requirements for fat or protein content, and could be used in products—such as certain types of sausages—in which total fat content is limited by existing regulations. Thus, the fat content of finished products would not be increased by use of the mechanically processed product.

—The product still could not be used in certain products in deference to special dietary considerations and to protect product quality. For example, as a precaution, USDA does not allow the product to be used in baby foods to avoid adding fluoride to infant diets.

Before the current requirements went into effect in 1978, an expert panel of government scientists reviewed the product and concluded it could be used safely if properly regulated.

The issue was one of several targeted for review in early 1981 in an effort to reduce unnecessarily burdensome regulations. However,

McMillan said USDA began to review mechanical processing requirements earlier in response to industry contentions that existing requirements have prevented production and marketing of the product, which industry refers to as "mechanically deboned meat."

Most recently this position was taken in a petition submitted to USDA by the American Meat Institute and the Pacific Coast Meat Association. It describes the current labeling requirements as misleading and the compositional requirements as unreasonable.

The proposal is scheduled to appear in the July 31 Federal Register, found in many local public libraries. Comments will be accepted for 90 days, until Oct. 29.

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USDA TO HOLD PUBLIC HEARING IN CALIFORNIA ON MEDFLY QUARANTINE

WASHINGTON, July 30—The U.S. Department of Agriculture will hold a public hearing at 10 a.m. PDT, Aug. 13 in Los Gatos, Calif., concerning quarantine expansions taking place over the last 30 days in the Mediterranean fruit fly infested area of California.

The hearing will be held at eradication task force headquarters, Ralph Berry School, 14855 Oka Road.

"Provided the current infestation situation does not change before then, USDA will not propose any changes in the current quarantine," said Harvey L. Ford, deputy administrator of USDA's Animal and Plant Health Inspection Service. "The area under regulation still will be limited to Santa Clara, San Mateo and Alameda counties. There will be no change in the list of food articles restricted and controlled."

Ford said an earlier public hearing was held in San Francisco May 19 to gather public reactions to the Medfly quarantine as it existed up to that point. These public comments were carefully studied and analyzed by USDA before the department switched from a temporary "emergency" action to a permanent quarantine on July 20, he said.

"Additional finds since the May hearing forced expansion of the Medfly regulated area, first to include part of San Mateo county and, on July 14, to cover the entire area of all three counties," said Ford.

"These expansions were emergency actions necessary to allow immediate operations to contain pest spread," he said. "We do realize that there is tremendous public interest in the program, however, and we will take a long, hard look at all public comments and opinions concerning this matter."

Written comments may be submitted through Sept. 14, and should be sent to Thomas Lanier, regulatory support staff, USDA-APHIS-PPQ, room 635, Federal building, 6505 Belcrest Rd., Hyattsville, MD, 20782.

The Medfly is one of the world's most destructive pests affecting fruits and vegetables—especially citrus fruits. Losses of 25 to 50 percent are not uncommon and heavy infestations can cause complete crop loss.

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Speeches

U.S. Department of Agriculture • Office of Governmental and Public Affairs

Just three weeks ago yesterday, Ambassador Okawara joined me at the National Arboretum in Washington for a ceremony that, among other things, served as a reminder of the friendship we share—both as individuals and as representatives of our two great nations.

The ceremony itself was simple. Two Koi fish were given to the United States and Ambassador Okawara was kind enough to present them on behalf of the donors, a Japanese club with chapters in California and Japan. But, the real significance of the ceremony went much deeper than that. In Japan, the Koi fish is valued greatly as a symbol of strength, masculinity, virility and longevity—and to give such a valued gift serves as a token of one's friendship to another.

I took great satisfaction in accepting this gift on behalf of both President Reagan and the United States, because I firmly feel that agriculture has played a significant role in promoting a lasting friendship that the people of our two countries have shared for many years.

Today I want to speak with you about why agricultural trade is so important between the United States and Japan. Secondly, I would like to indicate several areas where we would like to see some improvement in our trade relations. But, in discussing these issues, it is important we always remember that our agricultural trade with Japan is a two-way street. U.S. farmers, and this entire nation, for that matter, need our export market in Japan. In turn, the people of Japan need to import products from the United States, and Japan needs to export to the United States.

Since 1964, Japan has been the largest single-country market for our farm products. In fact, in 1970 Japan became our first billion-dollar customer—and by 1980, our trade with that country reached \$6.1 billion. Our farm product exports to Japan this year will approach \$7 billion.

What those figures mean is that Japan alone accounts for nearly 15 percent of all U.S. agricultural shipments. Those figures mean that about one out of 20 acres of our production is exported to Japan. And those figures also mean that the United States actually has more U.S.

acres producing for Japan, than what Japan has available to produce for itself.

Yet, as I said, we are working on a two-way street. Japan also benefits greatly by being able to import the agricultural goods that we produce. It would cost Japan several times their import bill to produce identical quantities of similar products. We have been able to provide Japan with an ample supply of competitively priced, high-quality products that have actually aided Japan in achieving some of its own agricultural policy goals. As an example, the Japanese have been able to boost farm incomes by producing livestock products based on low-cost U.S. feed grains.

I believe that the real strength of this great agricultural relationship stems from U.S. market development work that has been going on for nearly three decades. I also believe that the key to our agricultural relationship of the future will rest heavily upon the continuation of agricultural consultations between our two countries.

Now, let's take a look at some of the concrete steps that could be taken in order for us to further strengthen trading relationships in the future. It is important to note that, as we approach these subjects, we are doing so in the same spirit of friendship that has brought us to where we are today.

—One of our foremost concerns is to see improved access for our high-quality beef, oranges, grapefruit and orange juice. In the recently concluded Tokyo Round of the Multilateral Trade Negotiations, Japan agreed to schedule an expansion of its quota levels for these items. We would like to see Japan liberalize its imports of these items even more substantially. Other key items under import quota that we feel Japan should liberalize include leather, peanuts, fruit pulp, puree and paste, canned pineapples, and tomato sauce, ketchup and juice.

—Another concern involves tariffs. Japan has made considerable progress in reducing its tariffs, but a number of restrictive duties remain. I'm talking about the variable levy on pork, the 20 percent duty on leather and plywood, 20 percent or higher duties on certain fruits, and the 33 percent duty on peanut butter. The peanut butter duty will decline to 27.5 percent by 1987 under a previous agreement, but there is still room for negotiations.

—Japan has been very helpful in resolving problems surrounding plant and animal quarantine regulations. We would like to see still greater progress.

—More also has to be accomplished in the area of expanding trade in processed foods. The key problem facing U.S. processed foods in Japan involves the Japanese limitation on the type and tolerances of food additives used in the foods. What we want to do is to negotiate for some relief on any additives that are regarded as safe by international health organizations.

—We have found that some adjustments also need to be made in Japanese testing methods and strength requirements for plywood. These requirements, plus 20 percent tariff, have eliminated a potentially large market for our plywood. Currently we are working with Japan to demonstrate the soundness of our product, and we are hopeful to succeed in working out an agreement on plywood standards.

—Another problem area involves Japan's generous rice support program and the adverse impact it is having on U.S. trade. I believe that Japan's dilemma in overcoming its rice situation is understandable. But I feel that it is important that they make a much stronger effort to reduce the effects of their rice policy on U.S. exports. We will use every opportunity to seek further action by the Japanese in this important area.

I think we have to keep one thing in mind as we look into each of these areas that I have just presented. The United States is not looking for favors. We are not seeking to avoid fair competition. We are not looking for our exports to receive any kind of unfair advantage. But, what we are looking for is the benefits that all nations can enjoy when trading is accomplished on an even-handed basis.

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